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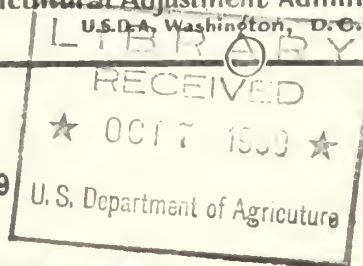
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AAA
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Facts for NORTHEAST COMMITTEEMEN

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CHANGES IN AAA PROGRAM NOT WARRANTED

Farmer representatives at New York meeting survey supply and demand situation from war standpoint, and advise continuation of present program.

Farmer representatives of the State AAA and the Land Use Planning Committees of the nine Northeastern States, meeting in New York on September 7 and 8 to consider whether adjustments in farm programs and production are made desirable by the changed conditions resulting from the outbreak of war, made the following report:

It is our opinion that developments up to the present do not warrant changes in the 1940 farm program and that the interests of both the farmers and consumers of the region will be served by a continuance of the present extensive farmer cooperation in that program. If conditions in the next few months should make changes advisable, the program can be revised in ample time for farmers to adjust spring operations to the new conditions.

Some of the considerations upon which these conclusions are based are as follows:

Wheat: World wheat supplies in 1939-40 are at a record high level, 5.3 billion bushels, as compared with 3.5 billion bushels at the outbreak of the World War in 1914. We have a domestic wheat supply of 985 million bushels, which includes a carryover of 254 million bushels of old wheat. This is sufficient to supply domestic needs, such exports as are now in prospect, and still leave stocks at a reasonable level.

Our normal domestic use of wheat is about 650 to 675 million bushels, and this varies very little except when wheat is cheap enough to be used as feed. The 1940 ACP wheat acreage allotment of 62 million acres may be expected, with average yield, to produce approximately 750 million bushels in 1940. Such a production, with the supply on hand, would permit exports in 1939-40 and in 1940-41 to be maintained at the same level as in 1938-39. With the help of the export subsidy program 118 million bushels were sold

for export in 1938-39. In view of these facts it appears that the wheat acreage allotments will produce an adequate crop in 1940.

Dairy: It is not probable that the consumption of dairy products will greatly increase. If there should be a decided increase in industrial activity and employment, it might result in some increase in consumption of fluid milk.

Cost of production of milk in much of the Northeast will undoubtedly increase during the coming year because of shortage of local feed supplies in the areas that were affected by the drought and possible increased expenditures for purchased feeds.

For the nation as a whole, the production of milk is continuing at a high level and cold storage holdings of butter are 33 million pounds or about 25% above the last five-year average.

It is doubtful if large quantities of dairy products will move into export trade. It may be noted that the increase in the average annual volume of all dairy exports during the World War was equivalent to only about one percent of our production.

Feed Grains and Livestock: For the nation as a whole, no shortage of feed grains appears likely. Because of our abnormally large carryover, the total supply of corn will be slightly larger than last year's near record amount. While the number of feed-consuming livestock, particularly hogs, is increased, there is still a sufficient supply of feed to provide an average amount per animal and leave enough to provide reasonable protection against drought or other contingencies. There is no reason to expect that exports of feed grains will assume significant proportions.

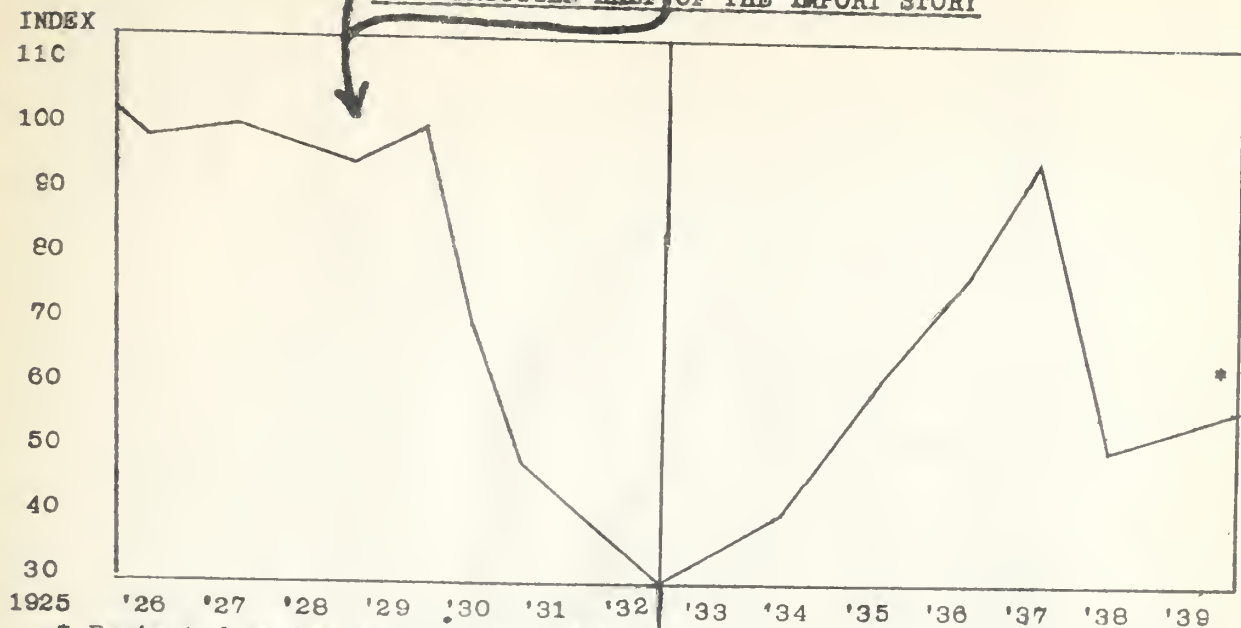
An unusual amount of hay and pasture improvement has taken place in the region in recent years. Quality hay and pasture will furnish protection against the effects of increased costs of feedstuffs that might develop if war were to continue for several years. There is every reason under war conditions to expand the improvement of pasture and hay still further.

Vegetables: Our current production of vegetables is more than sufficient to meet normal consumer demands. Inasmuch as exports of vegetables are negligible, it is not expected that the demand will be increased except as domestic employment and consumer income is increased. Any improvement in business activity should make returns to vegetable growers somewhat less unsatisfactory than at present, provided acreage is kept stable.

Potatoes: Exports of potatoes are negligible under all conditions, and domestic demand is relatively inelastic. For these reasons, the acreage of potatoes should be stabilized at the same level as the last two years.

Conclusion: In view of the above situation, we believe that since supplies and production of most agricultural commodities are now at a relatively high level, and since it seems doubtful that there will be more than a moderate increase in demand for agricultural products during the coming year, changes in the 1940 Agricultural Conservation Program for the Northeast are not warranted at present.

THE FORGOTTEN HALF OF THE IMPORT STORY



* Projected on basis of first 6 months

Annual Average

1924 - 1929

	Thousands	1932 Thousands	1937 Thousands	1938 1/ Thousands
TOTAL COMPETITIVE AGRICULTURAL				
IMPORTS (Value dollars)	999,000	296,000	868,000	477,000
Corn, grain (bus.)	1,996	348	86,337	404
Wheat 2/ (bus.)	1,489	3	8,684	48
Barley, malt (lbs.)	888	52,533	371,243	100,576
Rye, grain (bus.)	3/	3/	207	3/
Tapioca (lbs.)	126,800	130,000	432,858	230,879
Hay (tons) 4/	174	14	146	19
Soybean oil-cake & meal (lbs.)	73,395	36,569	109,418	26,270
Cottonseed oil-cake & meal (lbs.)	21,142	1,059	41,852	6,591
Butter (lbs.)	8,058	1,053	11,111	1,624
Cattle, except for breeding (nos.)	315	97	495	424
Hogs, live (lbs.)	13,729	34	16,555	57
Total meat products (lbs.)	108,613	46,750	191,906	148,149
Fresh pork (lbs.)	8,080	1,658	20,877	4,287
Hams, shoulders & bacon (lbs.)	2,046	3,015	47,422	44,246
Fresh beef, except veal (lbs.)	26,184	797	4,666	1,634
Canned meats (lbs.)	35,614	24,763	88,087	78,597
Eggs, in shell (doz.)	328	244	520	232
Wool & mohair, unmfed. (lbs.)	280,101	58,098	326,035	104,274
Dried & malted milk (lbs.)	5,313	60	2,924	81
Hides & skins, raw (lbs.)	425,964	188,013	312,035	179,315
Inedible molasses (gals.)	239,241	155,888	301,450	177,348

1/ Preliminary 5/10/39. 2/ Excludes wheat imported in bond. 3/ Less than 500. 4/ 2,240 lb. ton for 1929; 2,000 lb. ton for 1932, '37 and '38.

STATE PRACTICE BULLETINS EXPECTED SOON

With the 1940 AAA program already formally approved, it is expected that the list of soil-building practices provided under the conservation part of the program will soon be in State bulletin form. The program, following closely the one in effect this year, is based on the recommendations made by farmers at conferences held during the summer. It is hoped to have the State bulletins in the hands of committees in ample time for use in winter meetings and in informing farmers generally about the program.

Among the more important changes in the program for 1940 is a provision that at least \$20 may be earned for any farm, as assistance in carrying out soil building practices, or to offset a part of the cost involved in his cooperation in the allotment program. It also provides that any participating farmer can receive up to \$30 as the government's share in helping him meet the cost of planting trees for reforestation purposes. Most of the changes in the program for next year are of a minor nature to make it better fit local conditions. Acreage goals for major crops other than wheat, together with rates of payment, will be announced later. The national wheat allotment for 1940, announced a few weeks ago, is 62 million acres, as contrasted with 55 million last year.

OVER 200,000 ACRES RESEEDED IN DROUGHT AREA

Preliminary estimates indicate that over 200,000 acres of drought-damaged hay and pasture land on nearly 29,000 Northeastern farms were reseeded under the emergency drought-reseeding program of the AAA. More than half of these farms were in New York and most of the others were in Pennsylvania. Cost of the seed was borne by the AAA. With favorable weather conditions, the legumes and grasses reseeded will increase the drought-depleted supply of feed for livestock next year, and will protect the soil from erosion this winter. Because in many areas farmers do not ordinarily make late-summer seedings, it is probable that most of the reseeding would not have been done without this special program.

Preliminary estimates by States indicate that New York reseeded 90,000 acres on 15,000 farms; Pennsylvania 108,000 acres on 12,000 farms; New Jersey 5,040 acres on 630 farms; Connecticut 3,280 acres on 820 farms; and New Hampshire 725 acres on 275 farms.

As of September 16, farmers in the northeastern states had placed orders for 138,412 tons of lime and 30,203 tons of triple superphosphate through the Agricultural Conservation Program. Maine leads the lime parade with orders for 26,497 tons. Vermont heads the list for super, with 15,426 tons ordered. Farmers in New York State, where the program of furnishing lime began only recently, had placed orders for 23,053 tons as of September 16. On the basis of orders received and reports from the counties on interest shown in the lime program, the State office estimates that approximately 80,000 tons will be ordered by New York farmers this fall through the Conservation Program.